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SUBJECT: Ministry of Culture and Information Suspends Newspapers for Negative Reporting on Currency Notes

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11. (U) SUMMARY: Both Vietnamese and international media outlets reported extensively over the weekend on the GVN's October 20 suspension of two newspapers for a period of one month. These organizations, as well as numerous, more prominent papers, have carried stories in the last few months about alleged problems with the country's newly issued currency notes. The two affected news outlets are considered minor ones and media contacts have suggested that the move is a warning to the larger and more influential news outlets to avoid criticism of the Government, particularly in this sensitive period leading up to APEC. Significantly, the GVN's actions show that, in spite of loud proclamations about an increasingly vibrant and diverse media environment, Hanoi can and will exercise its authority to discipline press outlets that cross red-lines. End Summary and Comment.

GVN Suspends Two Papers

12. (U) On October 20, the Vietnamese Ministry of Culture and Information (MCI) issued formal decisions suspending the publication of two newspapers for the period of one month. The Ministry wrote in the decisions that the two papers, Cong Ly ("Justice") and Thoi Dai ("Era") had published "false reports" of alleged problems with Vietnam's newly issued polymer Dong currency notes. The ministry noted that the reporting violated certain articles of the Press Law, and that the newspapers had failed to comply with official instructions on how to cover the issue. Ministry officials also indicated they are considering disciplinary measures against six other publications for their inappropriate reporting on currency printing errors.

13. (U) The two publications affected are minor ones with small circulations. Cong Ly is a twice-weekly paper run by the People's Supreme Court, and Thoi Dai is a weekly paper of the Vietnam Union of Friendship Organizations.

14. (U) In a similar but reportedly unrelated development, on October 21, MCI revoked the operating license of Kinh Doanh va San Pham (Business and Products) Magazine. The Ministry said that the magazine had failed to follow directives laid out in its licensing agreements. It reported that, despite repeated warnings, the magazine had continued to publish articles that "created a negative social impact." Counter to some media reports, this revocation was not connected to the suspension of the two newspapers as the magazine had not published any stories on the new currency notes.

Funny Money

15. (U) Vietnam is rapidly replacing its paper money with polymer

notes, which officials claim are of higher quality and less vulnerable to counterfeiting. However, since 2004 when the first new notes were introduced, serious errors have been reported, including obvious printing mistakes and size variations. Apparently flawless counterfeit polymer notes have also appeared. The Vietnamese press has run numerous negative stories in the last few months citing evidence gathered from the general public. Several news outlets also reported that the son of the State Bank's Governor was involved as a sub-contractor in supplying equipment and materials related to the money printing process.

¶16. (U) In response to the ongoing media reports, the Communist Party's Central Commission for Ideology and Culture, which oversees all media issues in Vietnam, held a press briefing earlier this month. During the briefing the State Bank Governor again defended the currency notes, and rejected any suggestions that his son was involved in their production. Officials at the briefing reportedly also ordered journalists to cease writing stories critical of the new currency and its printing procedures.

¶17. (SBU) Well-placed media contacts from major newspapers tell PAS that they view MCI's actions as a warning to more influential news organizations to avoid criticism of government printing errors and any suggestion of official corruption. Contacts also reported that the suspended publications plan to file formal complaints in response to the decisions, citing far more critical articles which have appeared in more prominent publications.

¶18. (SBU) When asked if editors of the major newspapers such as Thanh Nien or Tuoi Tre are likely to be disciplined for their own reports, key media officials indicated that low-level editors or writers may be singled out for punishment, but that it is unlikely any key editors would be cited. Consensus among PAS contacts is that the Party and the Government are reticent to alienate the two largest national publications that have significant influence on Vietnamese readers.

Comment

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¶19. (SBU) Several contacts drew parallels between the suspensions and the 2004 case of journalist Lan Anh. Anh, who writes for the major national daily Tuoi Tre, published what was allegedly a classified document from the Ministry of Health, which cited government responsibility in failing to control medicine prices. The Ministry of Health threatened to sue her, but withdrew because of the public outcry generated by coverage of the issue in Tuoi Tre. Anh became something of a folk hero and her case is still cited as a great victory for the Vietnamese press. Nonetheless, in spite of this victory -- and loud official proclamations about an increasingly vibrant and diverse media environment -- the GVN's recent actions show that it can and will exercise its authority to discipline press outlets that cross certain red-lines. End Comment.

Marine